
# 3 Ultracheap Value Stocks for Long-Term Investors

**Description**

It seems like the perfect time to hunt for cheap value stocks. Since the start of 2021, value stocks have clearly had greater momentum than profitless growth stocks. That's because the economic recovery has benefited this cohort of companies. Despite the surge, many of these stocks remain severely undervalued.

Here are the top three value stocks that should be on your radar if you're looking to invest for the long term.



## Cheap value stock 1

**Toronto-Dominion Bank** (TSX:TD)(NYSE:TD) is one of the most efficiently run banks in Canada. In its most recent quarter, the bank reported revenue and earnings per share that were far beyond analysts' estimates. With household savings at a record-high and robust pent-up demand for consumer borrowing, TD clearly has several tailwinds,

Despite the stock being undervalued. TD Bank trades at a price-to-earnings ratio of just 10.8. That implies an earnings yield of 9.25%! That's significantly better than the interest on TD's savings accounts. In fact, it's higher than the dividend yield on most real estate investment funds.

Canada's second-largest bank should be worth a lot more than 10 times earnings. That's why this ultracheap value stock deserves a spot on your watch list.

## Cheap value stock 2

**Manulife Financial Corporation** (TSX:MFC)(NYSE:MFC) is another underappreciated value stock. Over the past year, the stock is up roughly 42%. Despite that, it trades at a PE ratio of just 9.1 – implying an earnings yield of nearly 11%!

Double-digit yields are nearly extinct right now. The government has held benchmark interest rates near 0, so you're not getting any return on savings. Rental and dividend yields are around 3% to 6%. In that context, 11% yield from one of the largest insurance companies in the world is an excellent deal.

Manulife's earnings are robust and well-diversified. It's one of the few Canadian financial giants with extensive exposure to Asia. That makes it a more reliable bet.

This value stock offers a 4.8% dividend yield and a safe haven if the market corrects.

## Cheap value stock 3

Global real estate is in a tricky position in 2021. Record-low interest rates and pent-up demand have made residential properties overvalued. Meanwhile, commercial properties such as malls and offices could face lower demand in a post-crisis world.

However, **NorthWest Health Prop Real Est Inv Trust** (TSX:NWH.U) occupies a special niche that makes it much more appealing. The company owns and operates a portfolio of healthcare properties, such as clinics and hospitals. These properties meet the special requirements of the highly regulated healthcare sector, which means they're leased out at a premium.



Healthcare is also insulated from the rest of the economy, so these tenants are not at risk when the country slips into recession. Furthermore, NorthWest's contracts have extremely long lives, with the average lease set at 14 years. That means rents and cash flows are locked in for the foreseeable future.

NorthWest REIT trades at just 10 times earnings per share and offers an attractive 6.2% dividend yield . This is probably one of the safest value stocks on the Canadian stock market right now.

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1. Dividend Stocks
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2. NYSE:TD (The Toronto-Dominion Bank)
3. TSX:FTS (Fortis Inc.)
4. TSX:NWH.UN (NorthWest Healthcare Properties Real Estate Investment Trust)
5. TSX:TD (The Toronto-Dominion Bank)

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